



**A RESOLUTION BY
COMMUNITY DEVELOPMENT/HUMAN RESOURCE COMMITTEE**

**A RESOLUTION TO AUTHORIZE A CONTRACT AMENDMENT WITH THE
URBAN RESIDENTIAL FINANCE AUTHORITY (URFA) FOR CD-755,
ATLANTA AFFORDABLE HOME OWNERSHIP PROGRAM (AAHOP) TO
SETUP A REVOLVING LOAN FUND; AND FOR OTHER PURPOSES**

WHEREAS, the City approved a Community Development Block Grant project, CD-755, Atlanta Affordable Home Ownership Program (AAHOP) in the amount of \$200,000; and

WHEREAS, the city previously authorized URFA to administer AAHOP (CD-89-05) as a revolving loan fund until the contract expired; and

WHEREAS, the City authorize URFA to reestablish AAHOP as a revolving loan program; wherein URFA will keep the program income accrued from August 15, 2003; and

WHEREAS, AAHOP provides mortgage assistance up to ten (10%) of the sales price or cost of acquisition and rehabilitation not to exceed \$15,000 per housing unit; and

WHEREAS, the mortgage assistance is provided in the form of a second mortgage deferred payment loan for eligible homebuyers purchasing properties within the project area to be used to provide down payment assistance and to cover up to 50% of the closing cost on the home; and

WHEREAS, the loan will be deferred for a term of five (5) years and is only subject to repayment upon the sale, transfer, refinancing or when the home is no longer the primary residence of the borrower during the term; and

WHEREAS, the debt will be secured with a Security Deed and the Promissory Note executed at closing that describes the terms and the "Due on Sale" provisions of the loan; and

WHEREAS, such second mortgage assistance at 0% interest rate would have the effect of lowering the final obligations to the homebuyer; and

WHEREAS, URFA wishes for the mortgage repayments to be placed in a revolving fund account to continue the program; and

WHEREAS, the City wishes to adopt these changes in the project and submit the subject CDBG grant amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, as follows:

SECTION 1: That CD-755, Atlanta Affordable Home Ownership Program (AAHOP), be revised to a revolving fund for second mortgage assistance loans according to the attached project description.

SECTION 2: That the principal repayment and interest income earned in CD-755, Atlanta Affordable Home Ownership Program, be anticipated in 1B01 529002 Y46P0130A24A, and appropriate revenue center in each subsequent years after August 15, 2003 in order for the program funds to revolve and be made available for additional loans.

SECTION 3: The City authorizes URFA to utilize the program income generated from the program since August 15, 2003, approximately \$55,000, as an additional source of funding for second mortgage loans.

A true copy,

Rhonda Daughin Johnson
Municipal Clerk, CMC

**ADOPTED by the Council
APPROVED by the Mayor**

October 18, 2004
October 20, 2004

MUNICIPAL CLERK
ATLANTA, GEORGIA

91-0-1831

AN ORDINANCE BY
FINANCE COMMITTEE

AUTHORIZING A CDBG PROGRAMMING CHANGE TO CD-89-05,
ATLANTA AFFORDABLE HOME OWNERSHIP PROGRAM (AAHOP);
AUTHORIZING A CONTRACT AMENDMENT WITH THE URBAN
RESIDENTIAL FINANCE AUTHORITY (URFA) FOR PROGRAM
CHANGES IN AAHOP INCLUDING THE ESTABLISHMENT OF A
REVOLVING LOAN FUND; AND FOR OTHER PURPOSES.

WHEREAS, the City approved a Community Development Block Grant project, CD-89-05,
Atlanta Affordable Home Ownership Program (AAHOP) in the amount of \$610,000; and

WHEREAS, the project provides down payment assistance in the amount of \$3,000 to
first-time home buyers purchasing homes constructed and rehabbed by URFA funding;
and

WHEREAS, the federal regulations have changed to limit the amount of down payment
assistance allowable to only 50% of the total, which limits the usefulness of the
AAHOP project; and

WHEREAS, URFA recommends that a effective way to promote home ownership other
than to provide down payment assistance grants is to provide second mortgage
assistance at 3% interest rate but to restrict the program to just low income
residents (instead of moderate incomes); and

WHEREAS, such second mortgage assistance at 3% interest rate would have the
effect of lowering the overall rate and make housing more affordable; and

WHEREAS, URFA wishes for the mortgage repayments to revolve in fund to continue
the program; and

WHEREAS, the City wishes to adopt these changes in the project and submit a CDBG
grant amendment.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA,
as follows:

SECTION 1: That CD-89-05, Atlanta Affordable Home Ownership Program, be revised
to a revolving fund for second mortgage assistance loans according to the
attached project description.

SECTION 2: That the principal repayments and interest income earned in CD-89-05,
Atlanta Affordable Home Ownership Program, be anticipated in 1B01 661001 and
661002 J53X0210A5WO, and appropriate revenue center in each subsequent year, and
appropriated to 1B01 729002 U21P0130A5RA in order for the program funds to
revolve and be made available for additional loans.


SECTION 3: That the Mayor be and is hereby authorized to enter into a contract amendment effective October 4, 1991 with the Urban Residential Finance Authority to implement CD-89-05, Atlanta Affordable Home Ownership Program.

SECTION 4: That the City Attorney be and is hereby directed to prepare appropriate contract agreement for execution by the Mayor and approved as to form.

SECTION 5: That this said amendment shall not become binding upon the City of Atlanta, and that the City shall incur no liability, until the same have been signed by the Mayor and delivered to the contracting parties.

SECTION 6: That all ordinances and parts of ordinances in conflict herewith be and the same are repealed hereby.

A true copy,


Municipal Clerk, C.M.C.

ADOPTED by City Council
APPROVED by the Mayor

November 18, 1991
November 22, 1991

04-1118 1472 (is Line)

A RESOLUTION

BY COMMUNITY DEVELOPMENT/HUMAN RESOURCES COMMITTEE

A RESOLUTION TO AUTHORIZE A CONTRACT AMENDMENT WITH THE URBAN RESIDENTIAL FINANCE AUTHORITY (URFA) FOR CD-755, ATLANTA AFFORDABLE HOME OWNERSHIP PROGRAM (AAHOP) TO SETUP A REVOLVING LOAN FUND; AND FOR OTHER PURPOSES.

ADOPTED BY

OCT 18 2004

COUNCIL

- ☐ CONSENT REFER
☐ REGULAR REPORT REFER
☐ ADVERTISE & REFER
☐ 1st ADOPT 2nd READ & REFER

Date Referred

Referred To:

First Reading

Committee _____
Date _____
Chair _____

Committee

Date

Chair

Action:

Fav, Adv, Held (see rev. side)
Other

Members

9/28/04 H

Refer To

Committee

Date

Chair

Action:

Fav, Adv, Held (see rev. side)
Other

Members

Refer To

Committee

Date

Chair

Action:

Fav, Adv, Held (see rev. side)
Other

Members

Urbana Development
Debra N. Starnes
Debra N. Starnes
Debra N. Starnes
Debra N. Starnes

Refer To

Committee

Date

Chair

Action:

Fav, Adv, Held (see rev. side)
Other

Members

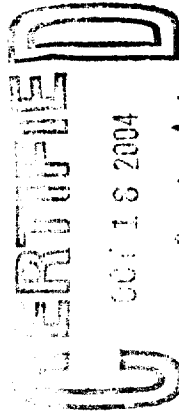
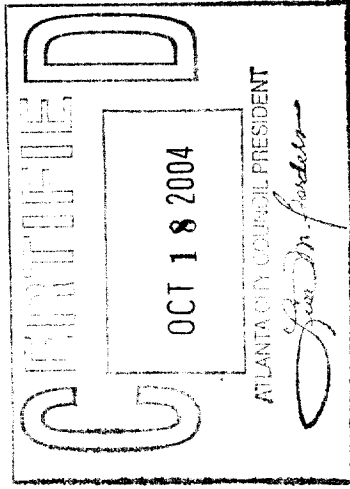
Refer To

COUNCIL ACTION

☐ 2nd ☐ 1st & 2nd ☐ 3rd
Readings

☒ Consent ☐ V Vote ☒ RC Vote

CERTIFIED



APPROVED

MAYOR'S ACTION
OCT 20 2004

Mayor's signature